

The wives of members of a business league, exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954, who form an organization to help advance their husbands' profession have a 'common business interest' for purposes of section 501(c)(6) of the Code. Therefore, such organization may qualify for exemption under that section.

Advice has been requested whether the organization described below qualifies for exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954.

The organization consists of wives of members of a professional society which is a business league exempt from Federal income tax under section 501(c)(6) of the Code.

The purposes of the organization are to help advance the profession of the members' husbands and create public awareness of the role played by the profession in the community.

The organization acts as co-host of award proceedings, dinners, exhibitions, and lectures conducted by the professional society. It conducts activities aimed at educating the public on matters relating to the profession. It periodically awards scholarships to students preparing themselves for the profession.

Section 501(c)(6) of the Code provides for the exemption from Federal income tax of business leagues not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit.

For an organization to meet the requirements for exemption as a business league within the meaning of the provisions of the Code and regulations, the members must have a common business interest and its activities must be directed to the furtherance of this interest.

The members of this organization have a mutual interest in promoting the profession of their husbands. Therefore, they have a common business interest in such profession.

This interest is advanced by this organization by helping to educate the public on the role played by the profession in the community, awarding scholarships, and assisting the husbands' organization in carrying out its exempt purposes. Accordingly, this organization is exempt from Federal income tax under section 501(c)(6) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(6) of the Code, file an application on Form 1024, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.